

Stock Market

Stocks gain for 2nd day as bargain hunting continues

New Age, April 03, 2019

- Dhaka stocks gained for the second consecutive day on Tuesday as a section of investors continued buying shares on the cheap at the bearish market while others maintained cautious stance.
- DSEX, the key index of Dhaka Stock Exchange, advanced by 0.34 %, or 19.09 points, to close at 5,522.17 points on Tuesday after gaining 11.17 points in the previous session. In last three months, DSEX lost almost 430 points and share prices of most of the companies dipped that prompted investors to buy shares on the cheap.
- The turnover on the bourse dropped to BDT 412.52 crore on Tuesday from that of BDT 423.97 crore in the previous trading session. Out of the 345 issues traded on the day, 106 declined, 183 advanced and 60 remained unchanged.
- United Power Generation Company led the chart of turnover leaders with its shares worth BDT 38.06 crore changing hands.

<http://www.newagebd.net/article/69032/stocks-gain-for-2nd-day-as-bargain-hunting-continues>

BSEC okays IDLC's BDT 255cr bond

New Age, April 03, 2019

- Bangladesh Securities and Exchange Commission on Tuesday allowed IDLC Finance Limited to float non-convertible zero coupon bond worth BDT 255 crore. As per the BSEC approval, the face value of each unit of the unsecured non-convertible zero coupon bond will be BDT 10 lakh and it will be fully redeemable in five years.
- Only corporate bodies, financial institutions and other eligible investors will be allowed to subscribe the bonds through private placement. The IDLC will address its financial needs and will strengthen its liquidity base through issuing the bond.
- Green Delta Insurance Company Limited acts as the trustee for the bond while Standard chartered Bank is the mandated lead arranger for the bond.

<http://www.newagebd.net/article/69031/bsec-okays-idlcs-BDT-255cr-bond>

Capital Market Expo to begin Apr 4

The Financial Express, April 03, 2019

- A three-day Capital Market Expo-2019 will begin on April 04 (Thursday) aiming to create awareness about capital market investment. The fair will be continued until April 06 at Shilpakala Academy in the capital Dhaka.
- The organiser of the Expo held at a press briefing at the Economic Reporters' Forum (ERF) office to announce the details of the event on Tuesday. Business web portal, Arthosuchak.com editor Ziaur Rahman said different merchant banks, stock brokers, asset management companies, credit rating agencies and listed companies will present their products and services in the fair.
- Around 55 institutions, including the stock exchanges, brokerage firms, merchant banks, asset management companies and listed companies will take part in the Expo. expo will remain open every day from 10:00 am to 8:00pm for visitors.

<http://thefinancialexpress.com.bd/stock/capital-market-expo-to-begin-apr-4-1554208607>

Three teams working to implement Chinese consortium proposals

The Financial Express, April 03, 2019

- The country's premier bourse has taken initiative to implement the technical and business proposals earlier offered by its strategic partner, a Chinese consortium comprising Shenzhen and Shanghai stock exchanges. As part of implementing the proposals, the Dhaka Stock Exchange (DSE) has formed three teams which are working to select the proposals based on demand and priority.
- The Chinese consortium became the strategic partner of the premier bourse in May, 2018 purchasing 25 % stake as per the demutualisation scheme. Along with purchasing the stake, the consortium offered the technical support worth nearly \$37 mn for free.
- Apart from selling stakes, the objective of including the strategic partner is to facilitate the introduction of new products, the exchange's good governance, and further infrastructure development.
- The Chinese consortium proposed to add value in different areas such as capital formation, SME capital market development, product diversification, information disclosure and investors relations service automation framework, human resource development, trading surveillance, and financial cloud proposition and financial data exchange platform (FDEP) technology.
- In August, 2018 the DSE and the Chinese consortium completed relevant formalities of transferring shares on receipt of funds. But the premier bourse is yet to materialise any of the proposals offered by its strategic partner. The Chinese consortium offered to assist the DSE in developing index-based products, bonds and asset-backed securities.
- It also offered to assist in developing derivatives market, among other business proposals, at the premier bourse DSE. The consortium also offered to assist in introducing a financial data exchange platform (FDEP), among other technical offers.

<http://thefinancialexpress.com.bd/stock/bangladesh/three-teams-working-to-implement-chinese-consortium-proposals-1554265667>

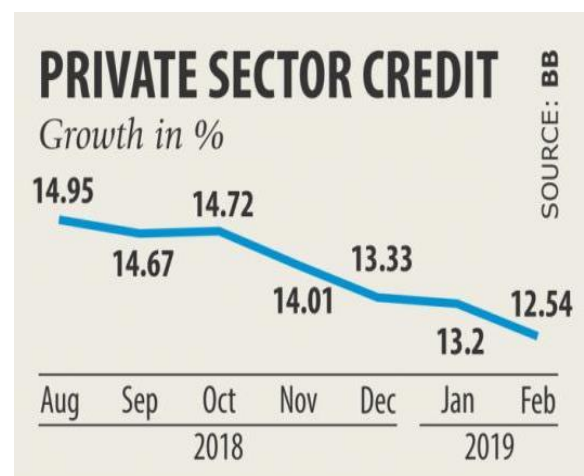
Economy

Private credit growth hits 53-month low

The Daily Star, April 03, 2019

- Private sector credit growth hit a 53-month low in February thanks to the ongoing liquidity crunch brought about by the rising default loans. In February, credit growth stood at 12.54 %, the lowest since October 2014, according to data from the central bank.
- The growth was much lower than the central bank's target of 16.5 % for the second half of fiscal 2018-19. Scarcity of funds to give loans with, shortage of greenbacks to meet import payments and disbursement of large amounts of loans for the mega infrastructure projects are responsible for the dwindling credit growth, analysts said.
- Net foreign asset in the country's balance of payment is now negative, which has also weakened the deposit base of banks.

At the end of 2018, total non-performing loans (NPL) amounted to BDT 93,911 crore, up from BDT 74,303 crore a year earlier.



- At the same time, savers are gravitating towards savings certificates and bonds instead of bank deposits because of higher returns from the former. Banks have also been on a dollar purchasing spree from the central bank for months to meet import payments, casting a pall of gloom over their deposit base.

<https://www.thedailystar.net/business/news/private-credit-growth-hits-53-month-low-1724239>

BD may allow Bhutan to use Ctg and Mongla ports

Agreement on transshipment facility likely during Bhutanese PM's visit to Dhaka on April 12

The Financial Express, April 03, 2019

- Bangladesh is likely to provide transshipment facility to Bhutan under which the land-locked country will be able to use Chittagong and Mongla ports for its international trade, officials said. A deal in this regard is likely to be signed during the visit of the Bhutanese Prime Minister to Dhaka on April 12, according to officials of the foreign and shipping ministries.
- As per the SOP, Bhutan can use Chittagong and Mongla ports and Bangladesh's river routes to ferry its exportable and imported goods. Cargoes will run through Brahmaputra and enter India at Doi Khawa point, and from there it will reach Galupu point near India-Bhutan border.
- The tariff and other modalities will be the same as that of the transshipment agreement between Bangladesh and India. An agreement on cooperation between the public administration training centres of the two countries for exchange of faculty members as well as training and capacity building is also expected to be signed during the visit of the Bhutanese prime minister, the sources said.

<http://thefinancialexpress.com.bd/trade/bd-may-allow-bhutan-to-use-ctg-and-mongla-ports-1554261998>

Cotton prices unscathed despite trade war

The Daily Star, April 03, 2019

- Fears of cotton prices soaring as a result of the US-China tariff war are unlikely to materialise, in a welcoming development for Bangladesh's textile millers. Bangladesh is almost entirely dependent on imports for its cotton requirement, making it the world's largest buyer of the natural fibre from the global market.
- Last week cotton was trading at between 75.5 cents and 77.5 cents per pound in the international futures markets, down from 90 cents per pound in March and April last year, when talks of the trade war were at its peak. The reason for the dip in cotton prices is that China, the biggest consumer of cotton due to being the world's largest supplier of apparel, has cut down on its cotton purchases to clear out its old stock.
- China has old stocks of 38 mn bales of cotton and 27.5 mn bales in production in the 2018-19 season, which runs from September to August, according to data from the United States Department of Agriculture (USDA). World trade is expected to increase to 42.3 mn bales in 2018-19, the highest level since 2012-13's record.
- Production will exceed consumption in 2019-20, raising world stocks slightly by 1 mn bales. World cotton consumption in 2018-19 is expected to reach 123.6 mn bales, growing 0.9 % from the previous year, to the highest level since 2007-08.

<https://www.thedailystar.net/business/news/cotton-prices-unscathed-despite-trade-war-1724230>

International

Trade slowed in Q4, WTO says

New Age, April 03, 2019

- World trade shrank by 0.3 % in the fourth quarter of 2018 and is likely to grow by 2.6 % this year, slower than 3.0 % growth in 2018 and below a previous forecast of 3.7 %, the World Trade Organisation said on Tuesday.
- In its annual forecast, the WTO said trade had been weighed down by new tariffs and retaliatory measures, weaker economic growth, volatility in financial markets and tighter monetary conditions in developed countries. It forecast in September that 2018 growth would be 3.9 %, down from 4.6 % in 2017.
- WTO director-general Roberto Azevedo told a news conference that the lower forecast was no surprise, given the trade tensions between the United States and China. WTO chief economist Robert Koopman said worse may be to come, with an even bigger impact if US president Donald Trump goes ahead with a plan to impose high tariffs on global imports of cars later this year.
- The WTO did not make a specific prediction about the impact of Brexit, but Koopman said in the worst case it would help push global trade growth down to the bottom end of the WTO's forecast range in 2019, 1.3 to 4.0 %. The value of commercial services trade grew by 8 % to \$5.80 trillion in 2018, driven by strong import growth in Asia.
- Goods trade volumes are expected to grow more strongly in developing economies this year, with 3.4 % growth in exports compared with 2.1 % in developed economies.

<http://www.newagebd.net/article/69035/trade-slowed-in-q4-wto-says>

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